

Kind-042

~~AMENDMENT TO H.R. 2646, AS REPORTED~~
~~OFFERED BY MR. BOEHLERT OF NEW YORK, MR.~~
~~KIND OF WISCONSIN, MR. GILCHREST OF~~
~~MARYLAND, OR MR. DINGELL OF MICHIGAN~~

AMENDMENT NO. _____ Strike title II and insert the following:

1 **TITLE II—CONSERVATION**
2 **Subtitle A—Farm and Ranch**
3 **Preservation**

4 **SEC. 201. FARMLAND PROTECTION PROGRAM.**

5 Section 388 of the Federal Agriculture Improvement
6 and Reform Act of 1996 (16 U.S.C. 3830 note) is amend-
7 ed to read as follows:

8 **"SEC. 388. FARMLAND PROTECTION PROGRAM.**

9 “(a) ESTABLISHMENT AND PURPOSE.—The Sec-
10 retary of Agriculture (in this section referred to as the
11 “Secretary”) shall carry out a farmland protection pro-
12 gram for the purpose of protecting farm and ranch lands
13 with prime, unique, or other productive uses and agricul-
14 tural lands that contain historic or archaeological re-
15 sources, by limiting the nonagricultural uses of the lands.
16 Under the program, the Secretary may provide matching
17 grants to eligible entities described in subsection (d) to
18 facilitate their purchase of—

1 “(1) permanent conservation easements in such
2 lands; or

3 “(2) ~~conservation~~ easements or other interests
4 in such lands when the lands are subject to a pend-
5 ing offer from a State or local government.

6 “(b) CONSERVATION PLAN.—Any highly erodible
7 land for which a conservation easement or other interest
8 is purchased using funds made available under this section
9 shall be subject to the requirements of a conservation plan
10 that requires, at the option of the Secretary of Agri-
11 culture, the conversion of the cropland to less intensive
12 uses.

13 “(c) MAXIMUM FEDERAL SHARE.—The Federal
14 share of the cost of purchasing a conservation easement
15 under subsection (a)(1) may not exceed 50 percent of the
16 total cost of purchasing the easement.

17 “(d) ELIGIBLE ENTITY DEFINED.—In this section,
18 the term ‘eligible entity’ means any of the following:

19 “(1) An agency of a State or local government.

20 “(2) A federally recognized Indian tribe.

21 “(3) Any organization that is organized for,
22 and at all times since its formation has been oper-
23 ated principally for, 1 or more of the conservation
24 purposes specified in clause (i), (ii), or (iii) of sec-

1 tion 170(h)(4)(A) of the Internal Revenue Code of
2 1986 and—

3 “(A) is described in section 501(c)(3) of
4 the Code;

5 “(B) is exempt from taxation under section
6 501(a) of the Code; and

7 “(C) is described in paragraph (2) of sec-
8 tion 509(a) of the Code, or paragraph (3) of
9 such section, but is controlled by an organiza-
10 tion described in paragraph (2) of such section.

11 “(e) GRANT FACTORS.—Among the factors the Sec-
12 retary shall consider in making grants under this section,
13 the Secretary shall consider the extent to which States are
14 encouraging or adopting measures to protect farmland
15 and ranchland from conversion to non-agricultural uses.

16 “(f) TITLE; ENFORCEMENT.—An eligible entity may
17 hold title to a conservation easement purchased using
18 grant funds provided under subsection (a)(1) and enforce
19 the conservation requirements of the easement.

20 “(g) STATE CERTIFICATION.—As a condition of the
21 receipt by an eligible entity of a grant under subsection
22 (a)(1), the attorney general of the State in which the con-
23 servation easement is to be purchased using the grant
24 funds shall certify that the conservation easement to be
25 purchased is in a form that is sufficient, under the laws

1 of the State, to achieve the purposes of the farmland pro-
 2 tecton program and the terms and conditions of the
 3 grant.

4 “(h) FUNDING.—

5 “(1) USE OF COMMODITY CREDIT CORPORATION
 6 FUNDS.—The Secretary shall use not more than
 7 \$100,000,000 in fiscal year 2002, \$200,000,000 in
 8 fiscal year 2003, \$350,000,000 in fiscal year 2004,
 9 \$450,000,000 in fiscal year 2005, and \$500,000,000
 10 in each of fiscal years 2006 through 2011, of the
 11 funds of the Commodity Credit Corporation to carry
 12 out this section.

13 “(2) LIMITATION ON TECHNICAL ASSIST-
 14 ANCE.—To provide technical assistance to carry out
 15 this section, the Secretary may use not more than
 16 10 percent of the amount made available for any fis-
 17 cal year under paragraph (1).

18 “(i) GRANTS AND ASSISTANCE TO ENHANCE FARM
 19 VIABILITY.—For each year for which funds are available
 20 for the program under this section, the Secretary may use
 21 not more than \$10,000,000 to provide matching market
 22 development grants and technical assistance to farm and
 23 ranch operators who participate in the program. As a con-
 24 dition of receiving such a grant, the grantee shall provide
 25 an amount equal to the grant from non-Federal sources.”.

1 **SEC. 202. SOCIALLY DISADVANTAGED FARMERS.**

2 Section 2501(a)(3) of the Food, Agriculture, Con-
3 servation, and Trade Act of 1990 (7 U.S.C. 2279(a)(3))
4 is amended—

5 (1) by striking “\$10,000,000” and inserting
6 “\$15,000,000 from the Commodity Credit Corpora-
7 tion”; and

8 (2) by adding at the end the following: “Any
9 agency of the Department of Agriculture may par-
10 ticipate jointly in any grant or contract entered in
11 furtherance of the objectives of this section if it
12 agreed that the objectives of the grant or contract
13 will further the authorized programs of the contrib-
14 uting agency.”.

15 **Subtitle B—Environmental**
16 **Stewardship On Working Lands**

17 **SEC. 211. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
18 **GRAM.**

19 Section 1240 of the Food Security Act of 1985 (16
20 U.S.C. 3839aa) is amended—

21 (1) by striking “to—” and all that follows
22 through “provides” and inserting “to provide”;

23 (2) inserting “air” after “that face the most se-
24 rious threats to”;

25 (3) by redesignating the subparagraphs (A)
26 through (D) that follow the matter amended by

1 paragraph (2) of this section as paragraphs (1)
2 through (4), respectively;

3 (4) by moving each of such redesignated provi-
4 sions 2 ems to the left; and

5 (5) by striking “farmers and ranchers” each
6 place it appears and inserting “producers”.

7 **SEC. 212. DEFINITIONS.**

8 Section 1240A of the Food Security Act of 1985 (16
9 U.S.C. 3839aa-1) is amended—

10 (1) in paragraph (1)—

11 (A) by inserting “nonindustrial private for-
12 est land,” before “and other land”; and

13 (B) by striking all after “poses a serious
14 threat to” and inserting “air, soil, water, or re-
15 lated resources.”; and

16 (2) in paragraph (4), by inserting “, including
17 nonindustrial private forestry” before the period.

18 **SEC. 213. ESTABLISHMENT AND ADMINISTRATION.**

19 (a) REAUTHORIZATION.—Section 1240B(a)(1) of the
20 Food Security Act of 1985 (16 U.S.C. 3839aa-2(a)(1))
21 is amended by striking “2002” and inserting “2011”.

22 (b) INCENTIVE PAYMENTS.—Section 1240B of such
23 Act (16 U.S.C. 3839aa-2) is amended by adding at the
24 end the following:

25 “(h) WATERSHED QUALITY INCENTIVE PROGRAM.—

1 “(1) IN GENERAL.—The Secretary shall create
2 a program to improve water quality in individual wa-
3 tersheds nationwide. Except as otherwise provided in
4 this subsection, the program shall be administered in
5 accordance with the terms of the Environmental
6 Quality Incentives Program.

7 “(2) CONSISTENCY WITH WATERSHED PLAN.—
8 In allocating funds under this subsection, the Sec-
9 retary shall consider the extent to which an applica-
10 tion for the funds is consistent with a locally devel-
11 oped watershed plan, in addition to the other factors
12 established by section 1240C.

13 “(3) CONTRACTS.—The Secretary shall enter
14 into contracts in accordance with this section with
15 producers whose activities affect water quality, in-
16 cluding the quality of public drinking water supplies,
17 to implement and maintain nutrient management,
18 pest management, soil erosion practices, and other
19 conservation activities that protect water quality and
20 protect human health. The contracts shall—

21 “(A) describe the nutrient management,
22 pest management or soil loss practices to be im-
23 plemented, maintained, or improved;

24 “(B) contain a schedule of implementation;

1 “(C) address water quality priorities of the
2 watershed in which the operation is located to
3 the greatest extent possible; and

4 “(D) contain such other terms as the Sec-
5 retary determines to be appropriate.

6 “(4) VOLUNTARY WATER QUALITY BENEFITS
7 EVALUATION.—On approval of the producer, the
8 Secretary may include the cost of water quality ben-
9 efits evaluation as part of a contract entered into
10 under this section.

11 “(5) DRINKING WATER SUPPLIERS PILOT PRO-
12 GRAM.—

13 “(A) IN GENERAL.—The Secretary shall
14 establish a pilot program in 15 watersheds to
15 improve water quality in cooperation with local
16 water utilities.

17 “(B) PILOT PROGRAM.—The Secretary
18 shall select the watersheds and make available
19 funds to be allocated to producers in partner-
20 ship with drinking water utilities in the water-
21 sheds, provided that drinking water utilities
22 measure water quality and target incentives
23 payments to improve water quality.

24 “(6) NUTRIENT REDUCTION PILOT PROGRAM.—
25 The Secretary shall use up to \$100,000,000 annu-

1 ally of the funds provided under this subsection in
 2 5 impaired watersheds each year to provide incen-
 3 tives for agricultural producers to reduce nitrogen
 4 and phosphorous applications by at least 15 percent
 5 below the average rates used by comparable farms in
 6 the State. Incentive payments shall reflect the extent
 7 to which producers reduce nitrogen and phosphorous
 8 applications.

9 “(7) RECOGNITION OF STATE EFFORTS.—The
 10 Secretary shall recognize the financial contribution
 11 of States, among other factors, during the allocation
 12 of funding under this subsection.”.

13 (c) NON-FEDERAL ASSISTANCE.—Section 1240B(g)
 14 of such Act (16 U.S.C. 3839aa–2(g)) is amended—

15 (1) by inserting “drinking water utility” after
 16 “forestry agency,”; and

17 (2) by inserting “, cost-share payments, and in-
 18 centives” after “technical assistance”.

19 **SEC. 214. EVALUATION OF OFFERS AND PAYMENTS.**

20 Section 1240C of the Food Security Act of 1985 (16
 21 U.S.C. 3839aa–3) is amended to read as follows:

22 **“SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.**

23 “The Secretary shall establish a ranking process and
 24 benefits index to prioritize technical assistance, cost-share
 25 payments, and incentives payments to producers to maxi-

1 mize soil and water quality and wildlife habitat and other
 2 environmental benefits per dollar expended. The ranking
 3 process shall be weighted to ensure that technical assist-
 4 ance, cost-share payments, and incentives are provided to
 5 small or socially-disadvantaged farmers (as defined in sec-
 6 tion 8(a)(5) of the Small Business Act). The Secretary
 7 shall consult with local, State, and Federal public and pri-
 8 vate entities to develop the ranking process and benefits
 9 index.”.

10 **SEC. 215. LIMITATION ON PAYMENTS.**

11 Section 1240G of the Food Security Act of 1985 (16
 12 U.S.C. 3839aa-7) is amended—

13 (1) in subsection (a)—

14 (A) in paragraph (1), by striking
 15 “\$10,000” and inserting “\$30,000”; and

16 (B) in paragraph (2), by striking
 17 “\$50,000” and inserting “\$150,000”;

18 (2) in subsection (b)—

19 (A) by striking “and” at the end of para-
 20 graph (1);

21 (B) by striking the period at the end of
 22 paragraph (2) and inserting “; and”; and

23 (C) by adding at the end the following:

24 “(3) to share the cost of digesters.”; and

25 (3) by striking subsection (c).

1 **SEC. 216. REAUTHORIZATION OF FUNDING.**

2 Section 1241(a) of the Food Security Act of 1985
3 (16 U.S.C. 3841(a)) is amended by striking “2002” and
4 inserting “2011”.

5 **SEC. 217. FUNDING.**

6 Section 1241(b)(1) of the Food Security Act of 1985
7 (16 U.S.C. 3841(b)(1)) is amended—

8 (1) by striking “\$130,000,000” and all that fol-
9 lows through “2002” and inserting “\$200,000,000
10 for fiscal year 2001, \$1,000,000,000 in fiscal years
11 2002 and 2003, and \$1,000,000,000 for each of fis-
12 cal years 2004 through 2011”;

13 (2) by inserting “(other than under section
14 1240B(h))” before the period; and

15 (3) by adding at the end the following: “In ad-
16 dition, the Secretary shall make available for the
17 program under section 1240B(h), \$450,000,000 for
18 fiscal years 2002 and 2003, \$500,000,000 for fiscal
19 year 2004, \$650,000,000 for fiscal year 2005, and
20 \$700,000,000 for each of fiscal years 2006 through
21 2011, to provide incentive payments to producers
22 who implement watershed quality incentive con-
23 tracts.”.

1 **SEC. 218. ALLOCATION FOR LIVESTOCK AND OTHER CON-**
 2 **SERVATION PRIORITIES.**

3 (a) IN GENERAL.—Section 1241(b)(2) of the Food
 4 Security Act of 1985 (16 U.S.C. 3841(b)(2)) is
 5 amended—

6 (1) by striking “2002” and inserting “2011”;
 7 and

8 (2) by inserting “(other than under section
 9 1240B(h))” before “shall”.

10 (b) AGRICULTURAL SUSTAINABILITY.—Section
 11 1241(b) of such Act (16 U.S.C. 3841(b)) is amended by
 12 adding at the end the following:

13 “(3) TARGETING OF PRACTICES TO PROMOTE
 14 AGRICULTURAL SUSTAINABILITY.—

15 “(A) To the maximum extent practicable,
 16 the Secretary shall attempt to dedicate at least
 17 10 percent of the funding in this subsection to
 18 each of the following practices to promote agri-
 19 cultural sustainability:

20 “(i) Managed grazing.

21 “(ii) Innovative manure management.

22 “(iii) Surface and groundwater con-
 23 servation through improved irrigation effi-
 24 ciency and other practices.

1 “(iv) Pesticide and herbicide reduc-
2 tion, including practices that reduce direct
3 human exposure.

4 “(B) DEFINITIONS.—In subparagraph (A):

5 “(i) MANAGED GRAZING.—The term
6 ‘managed grazing’ means practices which
7 frequently rotate animals on grazing lands
8 to enhance plant health, limit soil erosion,
9 protect ground and surface water quality,
10 or benefit wildlife.

11 “(ii) INNOVATIVE MANURE MANAGE-
12 MENT.—The term ‘innovative manure
13 management’ means manure management
14 technologies which—

15 “(I) eliminate the discharge of
16 animal waste to surface and ground-
17 waters through direct discharge, seep-
18 age, and runoff;

19 “(II) substantially eliminate at-
20 mospheric emissions of ammonia;

21 “(III) substantially eliminate the
22 emission of odor;

23 “(IV) substantially eliminate the
24 release of disease-transmitting vectors
25 and pathogens;

1 “(V) substantially eliminate nu-
2 trient heavy metal contamination; or

3 “(VI) encourage reprocessing and
4 cost-effective transportation of animal
5 waste.

6 “(ii) IMPROVED IRRIGATION EFFI-
7 CIENCY.—The term ‘improved irrigation
8 efficiency’ means the use of new or up-
9 graded irrigation systems that conserve
10 water, including the use of—

11 “(I) spray jets or nozzles which
12 improve water distribution efficiency;

13 “(II) irrigation well meters;

14 “(III) surge valves and surge ir-
15 rigation systems; and

16 “(IV) conversion of equipment
17 from gravity or flood irrigation to
18 sprinkler or drip irrigation, including
19 center pivot systems.”.

20 **Subtitle C—Preservation of** 21 **Wildlife Habitat**

22 **SEC. 221. WILDLIFE HABITAT INCENTIVES PROGRAM.**

23 (a) EXTENSION AND FUNDING INCREASE.—Section
24 387(c) of the Federal Agriculture Improvement and Re-

1 form Act of 1996 (16 U.S.C. 3836a) is amended to read
2 as follows:

3 “(c) FUNDING.—To carry out this section, there shall
4 be made available \$200,000,000 for fiscal years 2002 and
5 2003, \$350,000,000 for fiscal year 2004, \$450,000,000
6 for fiscal year 2005, \$500,000,000 for each of the fiscal
7 years 2006 through fiscal year 2009, \$400,000,000 for
8 fiscal year 2010, and \$200,000,000 for fiscal year 2011.”.

9 (b) ADDITIONAL INCENTIVES FOR WILDLIFE CON-
10 SERVATION.—Section 387(b) of such Act (16 U.S.C.
11 3836(b)) is amended by inserting “, or for other costs re-
12 lating to wildlife conservation,” before “approved by the
13 Secretary”.

14 (c) PROGRAM MODIFICATIONS.—Section 387 of such
15 Act (16 U.S.C. 3836a) is amended by adding at the end
16 the following:

17 “(d) INCENTIVE PAYMENTS.—The Secretary may
18 provide incentive payments to landowners in exchange for
19 the implementation of land management practices de-
20 signed to create or preserve wildlife habitat. The payments
21 may be in an amount and at a rate determined by the
22 Secretary to be necessary to encourage a landowner to en-
23 gage in the practice.

24 “(e) FUNDING PRIORITY.—The Secretary shall give
25 priority to landowners whose lands contain important

1 habitat for imperiled species or habitat identified by State
2 conservation plans, where available.

3 “(f) CONSULTATION.—To the extent practicable, the
4 Secretary shall consult with local, State, Federal and pri-
5 vate experts, as considered appropriate by the Secretary,
6 to ensure that projects under this section maximize con-
7 servation benefits and are regionally equitable.

8 “(g) ACQUISITION OF EASEMENTS.—Beginning with
9 fiscal year 2003, not more than 10 percent of the funds
10 available shall be used to acquire permanent easements,
11 provided that land enrolled in an easement is not land
12 taken out of agricultural production”.

13 **SEC. 222. WETLANDS RESERVE PROGRAM.**

14 (a) ENROLLMENT AUTHORITY.—Section 1237(b)(1)
15 of the Food Security Act of 1985 (16 U.S.C. 3837(b)(1))
16 is amended to read as follows:

17 “(1) ENROLLMENT.—The Secretary shall enroll
18 in the wetlands reserve program a total of not less
19 than 250,000 acres in fiscal years 2002 and 2003,
20 and not less than 250,000 acres in each of fiscal
21 years 2004 through 2011.”.

22 (b) REGIONAL EQUITY.—Section 1237 of such Act
23 (16 U.S.C. 3837) is amended by adding at the end the
24 following:

1 “(h) Not later than 60 days after the date of the en-
 2 actment of this sentence, the Secretary shall devise a plan
 3 to promote wetlands conservation in all regions where op-
 4 portunities exist for wetlands restoration.”.

5 **SEC. 223. CONSERVATION RESERVE PROGRAM.**

6 (a) **ENROLLMENT AUTHORITY.**—Section 1231 of the
 7 Food Security Act of 1985 (16 U.S.C. 3831) is
 8 amended—

9 (1) in subsection (a)—

10 (A) by striking “2002” and inserting
 11 “2011”; and

12 (B) by striking “and water” and inserting
 13 “, water, and wildlife”;

14 (2) in subsection (d)—

15 (A) by striking “36,400,000” and inserting
 16 “45,000,000”; and

17 (B) by striking “2002” and inserting
 18 “2011”; and

19 (3) in subsection (h)(1), by striking “and
 20 2002” and inserting “through 2011”.

21 (b) **ELIGIBILITY.**—Section 1231(b) of such Act (16
 22 U.S.C. 3831(b)) is amended—

23 (1) by striking paragraph (3) and inserting the
 24 following:

1 “(3) pasture, hay, and rangeland if the land
2 will be restored as a wetland, or is within 300 feet
3 of a riparian area and will be restored in native
4 vegetation; and”; and

5 (2) in paragraph (4)—

6 (A) by striking subparagraph (A) and in-
7 serting the following:

8 “(A) if the Secretary determines that—

9 “(i) the lands contribute to the deg-
10 radation of soil, water, or air quality, or
11 would pose an on-site or off-site environ-
12 mental threat to soil, water, or air quality
13 if permitted to remain in agricultural pro-
14 duction; and

15 “(ii) soil, water, and air quality objec-
16 tives with respect to the land cannot be
17 achieved under the environmental quality
18 incentives program established under chap-
19 ter 4;”;

20 (B) by striking “or” at the end of subpara-
21 graph (C);

22 (C) by striking the period at the end of
23 subparagraph (D) and inserting “; or”; and

24 (D) by adding at the end the following:

1 “(E) if the Secretary determines that en-
2 rollment of the lands would contribute to con-
3 servation of ground or surface water.

4 For purposes of the program under this subchapter, buffer
5 strips on lands used for the production of fruits, vegeta-
6 bles, sod, orchards, or specialty crops shall be considered
7 cropland.”.

8 (c) ENVIRONMENTALLY SENSITIVE LANDS AND
9 BUFFER STRIPS.—Section 1231(d) of such Act (16
10 U.S.C. 3831(d)) is amended by adding at the end the fol-
11 lowing: “Until December 31, 2007, of the acreage author-
12 ized for enrollment, not less than 7,000,000 acres shall
13 be used to enroll environmentally sensitive lands through
14 the continuous enrollment program and the conservation
15 reserve enhancement program.”.

16 (d) LIMITED PERMANENT EASEMENT AUTHORITY.—
17 Section 1231(e) of such Act (16 U.S.C. 3831(e)) is
18 amended by adding at the end the following:

19 “(3) PERMANENT EASEMENTS.—

20 “(A) IN GENERAL.—Notwithstanding para-
21 graph (1), the Secretary may enroll up to
22 3,000,000 acres in the conservation reserve
23 using permanent easements to protect critically
24 important environmentally sensitive lands (in-
25 cluding 1,000,000 acres for isolated wetlands)

1 and habitats such as native prairies, native
2 shrublands, small wetlands, springs, seeps, fens,
3 and other rare and declining habitats. The
4 terms of the easement shall be consistent with
5 section 1232(a).

6 “(B) LIMITATIONS ON TRANSFER-
7 ABILITY.—The Secretary may transfer a per-
8 manent easement established under subpara-
9 graph (A) to a State or local government or a
10 qualified nonprofit conservation organization.
11 The holder of such a permanent easement may
12 not transfer the easement to an entity other
13 than a State or local government or a qualified
14 nonprofit conservation organization.”.

15 (e) CONTINUOUS ENROLLMENT OF BUFFER
16 STRIPS.—Section 1231 of such Act (16 U.S.C. 3831) is
17 amended by adding at the end the following:

18 “(i) CONTINUOUS ENROLLMENT OF BUFFER
19 STRIPS.—The Secretary shall allow continuous enrollment
20 of buffers whose width and vegetation is designed to pro-
21 vide significant wildlife or water quality benefits, as deter-
22 mined by the Secretary.

23 “(j) IRRIGATED LANDS.—Irrigated lands shall be en-
24 rolled at irrigated land rates unless the Secretary deter-
25 mines that other compensation is appropriate.

1 “(k) EXCEPTION TO PAYMENT LIMITATION.—Pay-
2 ments made in connection with the enrollment of lands
3 pursuant to the continuous enrollment or the conservation
4 reserve enhancement program shall not be subject to any
5 payment limitations under section 1239c(f)(1).

6 “(l) LIMITED EXCEPTIONS TO PROHIBITIONS ON
7 ECONOMIC USES.—Notwithstanding the prohibitions on
8 economic use on lands enrolled in the Conservation Re-
9 serve Program under section 1232(a), the Secretary may
10 permit on such lands the collection of native seeds and
11 the use of wind turbines, so long as such activities preserve
12 the conservation values of the land and take into account
13 wildlife and wildlife habitat.”.

14 **SEC. 224. CONSERVATION OF PRIVATE GRAZING LANDS.**

15 Section 386 of the Federal Agriculture Improvement
16 and Reform Act of 1996 (16 U.S.C. 2005b) is amended
17 by striking subsection (f) and inserting the following:

18 “(f) INCENTIVE PAYMENTS.—The Secretary may
19 enter into 5-year, 10-year and 20-year contracts with
20 landowners to provide financial assistance for landowner
21 efforts to improve the ecological health of grazing lands,
22 including practices that reduce erosion, employ prescribed
23 burns, restore riparian area, control or eliminate exotic
24 species, reestablish native grasses, or otherwise enhance
25 wildlife habitat.

1 “(g) AUTHORIZATION OF FUNDING.—The Secretary
2 shall make available \$20,000,000 for each of the fiscal
3 years 2002 through 2011 from the Commodity Credit Cor-
4 poration to carry out this section.”.

5 **SEC. 225. GRASSLAND RESERVE AND ENHANCEMENT PRO-**
6 **GRAM.**

7 Chapter 1 of subtitle D of title XII of the Food Secu-
8 rity Act of 1985 (16 U.S.C. 3830–3837f) is amended by
9 adding at the end the following:

10 **“Subchapter D—Grassland Reserve**
11 **and Enhancement Program**

12 **“SEC. 1238. GRASSLAND RESERVE AND ENHANCEMENT**
13 **PROGRAM.**

14 “(a) ESTABLISHMENT.—The Secretary shall estab-
15 lish a program to use contracts and easements to protect
16 3,000,000 acres of environmentally critical grasslands,
17 shrubs, and blufflands. Beginning in fiscal year 2002, the
18 Secretary shall conduct outreach to inform the public of
19 the program.

20 “(b) ENROLLMENT CONDITIONS.—

21 “(1) MAXIMUM ENROLLMENT.—The total num-
22 ber of acres enrolled in the program shall not exceed
23 3,000,000 acres. The Secretary shall enroll lands
24 using permanent easements to meet demand, but in
25 no case shall more than 50 percent of the available

1 acreage be enrolled in permanent easements, and the
 2 balance shall be enrolled in ~~contracts~~ through which
 3 the Secretary shall provide assistance and incentive
 4 payments.

5 “(2) TERMS OF CONTRACTS OR EASEMENTS.—

6 The Secretary shall enroll in the program for a will-
 7 ing owner not less than 100 contiguous acres of land
 8 west of the 100th meridian or not less than 50 con-
 9 tiguous acres of land east of the 90th meridian
 10 through 10-year or 20-year contracts or permanent
 11 easements.

12 “(c) ELIGIBLE LAND.—Land shall be eligible to be
 13 enrolled in the program if the Secretary determines that—

14 “(1) the land is natural grass or shrubland;

15 “(2) the land—

16 “(A) is located in an area that has been
 17 historically dominated by natural grass or
 18 shrubland; and

19 “(B) has potential to serve as habitat for
 20 animal or plant populations of significant eco-
 21 logical value if the land is restored to natural
 22 grass or shrubland; or

23 “(3) the land is adjacent to land described in
 24 paragraph (1) or (2), and the Secretary determines

1 it is necessary to maintain or restore native grass-
2 land or shrubland under this section.

3 “(d) LIMITATIONS ON AUTHORIZATION OF APPRO-
4 PRIATIONS.—To carry out this section, there shall be
5 available for each of fiscal years 2002 through 2011 such
6 sums as may be necessary from the funds of the Com-
7 modity Credit Corporation.

8 **“SEC. 1238A. CONTRACTS AND AGREEMENTS.**

9 “(a) REQUIREMENTS OF LANDOWNER.—To be eligi-
10 ble to enroll land in the program, the owner of the land
11 shall—

12 “(1) agree to comply with the terms of the con-
13 tract and related restoration agreements; and

14 “(2) agree to the suspension of any existing
15 cropland base and allotment history for the land
16 under any program administered by the Secretary.

17 “(b) TERMS OF CONTRACT OR EASEMENT.—A con-
18 tract or easement under subsection (a) shall—

19 “(1) permit—

20 “(A) common grazing practices on the land
21 in a manner that is consistent with maintaining
22 the viability of natural grass and shrub species
23 indigenous to that locality;

24 “(B) haying, mowing, or haying for seed
25 production, except that such uses shall not be

1 permitted until after the end of the nesting and
2 brood-rearing season for birds in the local area
3 which are in significant decline or are conserved
4 pursuant to State or Federal law, as deter-
5 mined by the Natural Resources Conservation
6 Service State conservationist;

7 “(C) construction of fire breaks and
8 fences, including placement of the posts nec-
9 essary for fences; and

10 “(D) practices that reduce erosion, restore
11 native species, control and eradicate exotic spe-
12 cies, enhance habitat for native wildlife, and im-
13 prove the health of riparian areas;

14 “(2) prohibit—

15 “(A) forestry and the production of any
16 agricultural commodity (other than hay);

17 “(B) unless allowed under subsection (d),
18 the conduct of any other activity that would dis-
19 turb the surface of the land covered by the con-
20 tract or easement; and

21 “(C) the development of homes, businesses
22 or other structures on land subject to the con-
23 tract or easement; and

1 “(3) include such additional provisions as the
2 Secretary determines are appropriate to carry out or
3 facilitate the administration of this subchapter.

4 “(c) RANKING APPLICATIONS.—

5 “(1) ESTABLISHMENT OF CRITERIA.—The Sec-
6 retary shall establish criteria to evaluate and rank
7 applications for contracts under this subchapter.

8 “(2) EMPHASIS.—In establishing the criteria,
9 the Secretary shall emphasize support for native
10 grass and shrubland, grazing operations, and plant
11 and animal biodiversity.

12 “(d) RESTORATION AGREEMENTS.—The Secretary
13 shall prescribe the terms by which grassland that is sub-
14 ject to a contract under the program shall be restored.
15 The agreement shall include duties of the land owner and
16 the Secretary, including the Federal share of restoration
17 payments and technical assistance.

18 “(e) VIOLATIONS.—On the violation of the terms or
19 conditions of a contract or restoration agreement entered
20 into under this section—

21 “(1) the contract shall remain in force; and

22 “(2) the Secretary may require the owner to re-
23 fund all or part of any payments received by the
24 owner under this subchapter, with interest on the

1 payments as determined appropriate by the Sec-
2 retary.

3 **"SEC. 1238B. DUTIES OF SECRETARY.**

4 "(a) IN GENERAL.—In return for the granting of a
5 contract by an owner under this subchapter, the Secretary
6 shall make contract payments and payments of the Fed-
7 eral share of restoration and provide technical assistance
8 to the owner in accordance with this section. The Sec-
9 retary shall base the amount paid for an easement on the
10 fair market value of the easement.

11 "(b) FEDERAL SHARE OF RESTORATION.—The Sec-
12 retary shall make payments to the owner of not more
13 than—

14 "(1) in the case of virgin (never cultivated)
15 grassland, 90 percent of the costs of carrying out
16 measures and practices necessary to restore grass-
17 land functions and values; or

18 "(2) in the case of restored grassland, 75 per-
19 cent of such costs.

20 "(c) TECHNICAL ASSISTANCE.—A landowner who is
21 receiving a benefit under this subchapter shall be eligible
22 to receive technical assistance in accordance with section
23 1243(d) to assist the owner or operator in carrying out
24 a contract entered into under this subchapter.

1 “(d) PAYMENTS TO OTHERS.—If an owner who is en-
 2 titled to a payment under this subchapter dies, becomes
 3 incompetent, is otherwise unable to receive the payment,
 4 or is succeeded by another person who renders or com-
 5 pletes the required performance, the Secretary shall make
 6 the payment, in accordance with regulations promulgated
 7 by the Secretary and without regard to any other provision
 8 of law, in such manner as the Secretary determines is fair
 9 and reasonable in light of all the circumstances.”.

10 **Subtitle D—Organic Farming**

11 **SEC. 231. PROGRAM TO ASSIST TRANSITION TO ORGANIC** 12 **FARMING.**

13 (a) ASSISTANCE AUTHORIZED.—The Secretary of
 14 Agriculture (in this section referred to as the “Secretary”)
 15 shall expand the National Organic Program to include a
 16 voluntary program to assist agricultural producers in mak-
 17 ing the transition from conventional to organic farming
 18 and to assist existing organic farmers. Under the program,
 19 the Secretary may make payments to cover all or a portion
 20 of—

- 21 (1) production and marketing losses;
- 22 (2) conservation practices related to organic
- 23 food production;
- 24 (3) certification costs;

1 (4) technical assistance by qualified third par-
2 ties;

3 (5) educational materials; or

4 (6) farm-to-consumer market development.

5 (b) LIMITATION ON EXPENDITURES.—Payments to
6 individual farm and ranch operators under this section
7 shall not exceed \$10,000 per year, and such payments
8 shall not be made to individuals operating a conventional
9 farm or ranch in more than 3 fiscal years.

10 (c) ORGANIC CERTIFICATION REIMBURSEMENT PRO-
11 GRAM.—The Secretary shall reimburse producers for the
12 cost of organic certification. To expedite certification,
13 farmers seeking certification shall be eligible for a direct
14 reimbursement of up to \$500 by the Secretary of certifi-
15 cation costs, so long as producers present an organic cer-
16 tificate and receipt.

17 (d) FUNDING.—Of the funds of the Commodity Cred-
18 it Corporation, there shall be available to the Secretary
19 to carry out this section \$20,000,000 for fiscal years 2002
20 and 2003, \$40,000,000 for fiscal year 2004, \$40,000,000
21 for fiscal year 2005, \$50,000,000 for fiscal year 2006,
22 \$50,000,000 for fiscal year 2007, \$50,000,000 for fiscal
23 year 2008, and \$0 for fiscal years 2009 through 2011.

Subtitle E—Forestry

2 SEC. 241. URBAN AND COMMUNITY FORESTRY.

3 Section 9(i) of the Cooperative Forestry Assistance
4 Act of 1978 (16 U.S.C. 2105(i)) is amended to read as
5 follows:

6 “(i) **FUNDING.**—The Secretary shall use \$50,000,000
7 of the funds of the Commodity Credit Corporation to carry
8 out this section for each of the fiscal years 2002 through
9 2011. In addition, there are authorized to be appropriated
10 to the Secretary not more than \$50,000,000 to carry out
11 this section for each of the fiscal years 2002 through
12 2011. As determined by the Secretary, socially disadvan-
13 tagged foresters shall be eligible for funding under this sec-
14 tion.”.

15 SEC. 242. WATERSHED FORESTRY INITIATIVE.

16 (a) **ESTABLISHMENT.**—The Secretary shall establish
17 a program for the purpose of providing financial assist-
18 ance to enhance the quality of municipal water supplies
19 and to encourage the long-term sustainability of private
20 forestland.

21 (b) **EASEMENTS.**—The Secretary shall annually use
22 \$75,000,000 from the Commodity Credit Corporation to
23 be matched equally by any non-Federal source for each
24 of the fiscal years 2002 through 2011 to acquire perma-
25 nent easements that promote watershed protection. The

1 Secretary shall establish a system to fairly compensate
2 landowners for the value of an easement entered into
3 under this section.

4 (c) LAND-USE PRACTICES.—The Secretary shall an-
5 nually use \$25,000,000 from the Commodity Credit Cor-
6 poration for each of the fiscal years 2002 through 2011
7 to share equally with any non-Federal source the cost of
8 land management practices on nonindustrial forestland
9 that protect municipal drinking water supplies and other
10 conservation purposes. The Secretary shall consider,
11 among other factors, the extent to which projects are iden-
12 tified in a regional or watershed conservation plan. Prac-
13 tices that are eligible for funding under this section in-
14 clude the following:

- 15 (1) Natural forest regeneration.
- 16 (2) Prescribed burns.
- 17 (3) Native species restoration.
- 18 (4) Stream and watershed restoration.
- 19 (5) Road retirement.
- 20 (6) Riparian restoration.
- 21 (7) Other practices that improve water quality
22 and wildlife habitat, as determined by the Secretary.

23 (d) REGIONAL AND WATERSHED PLANNING.—The
24 Secretary shall establish a program to make grants not
25 exceeding \$10,000 to develop and implement regional and

1 watershed-based conservation plans to comply with exist-
2 ing laws and meeting water quality standards. The Sec-
3 retary shall consider, among other factors, the extent to
4 which applicants develop interjurisdictional conservation
5 plans, protect nationally significant resources, engage the
6 public, and demonstrate local support. The Secretary shall
7 use not more than \$10,000,000 from the Commodity
8 Credit Corporation for each of the fiscal years 2002
9 through 2011 to carry out this subsection.

10 **Subtitle F—Technical Assistance**

11 **SEC. 251. CONSERVATION TECHNICAL ASSISTANCE.**

12 (a) Section 6 of the Soil Conservation and Domestic
13 Allotment Act (16 U.S.C. 590f) is amended—

14 (1) by striking the 1st undesignated paragraph
15 and inserting the following:

16 “(a) The Secretary shall make available
17 \$200,000,000 each fiscal year from the Commodity
18 Credit Corporation, and such additional sums as
19 may be appropriated by the Congress, to carry out
20 this Act.”; and

21 (2) by designating the 2nd undesignated para-
22 graph as subsection (b).

23 (b) Section 7 of such Act (16 U.S.C. 590g) is amend-
24 ed by striking “and (7)” and inserting “(7) any of the

1 purposes of agricultural conservation programs authorized
2 by Congress, and (8)''.

3 **SEC. 252. REIMBURSEMENT FOR PROGRAM ADMINISTRA-**
4 **TION.**

5 Subtitle E of title XII of the Food Security Act of
6 1985 (16 U.S.C. 3841–3843) is amended—

7 (1) by inserting “(1)” before the first unnum-
8 bered paragraph;

9 (2) by redesignating paragraphs (1) through
10 (3) as subparagraphs (A) through (B);

11 (3) by moving the newly designated subpara-
12 graphs (A) through (B) three ems to the right;

13 (4) by adding at the end the following:

14 “(2) For each of fiscal years 1996 through
15 2011, the Secretary shall use the funds of the Com-
16 modity Credit Corporation for the provision of tech-
17 nical assistance to allow for full reimbursement of
18 actual costs for delivering all conservation programs
19 funded through the Commodity Credit Corporation
20 for which technical assistance is required.”.

21 **SEC. 253. CONSERVATION TECHNICAL ASSISTANCE BY**
22 **THIRD PARTIES.**

23 Section 1243(d) of the Food Security Act of 1985
24 (16 U.S.C. 3843(d)) is amended—



1 (1) by striking "In the preparation" and insert-
2 ing the following:

3 "(1) IN GENERAL.—In the preparation"; and

4 (2) by adding at the end the following:

5 "(2) ESTABLISHMENT OF TRAINING CEN-
6 TERS.—To facilitate the training and certification of
7 Federal and non-Federal employees and qualified
8 third parties, the Secretary may establish training
9 centers in the following locations:

10 "(A) Fresno, California.

11 "(B) Platteville, Wisconsin.

12 "(C) Lincoln, Nebraska.

13 "(D) Ithaca, New York.

14 "(E) Pullman, Washington.

15 "(F) Orono, Maine.

16 "(G) Gainesville, Florida.

17 "(H) College Park, Maryland.

18 "(3) CERTIFICATION OF THIRD-PARTY PRO-
19 VIDERS.—

20 "(A) IN GENERAL.—Not later than 6
21 months after the date of the enactment of this
22 Act, the Secretary of Agriculture shall, by regu-
23 lation, establish a system for approving persons
24 to provide technical assistance pursuant to this
25 title. In the system, the Secretary shall give pri-

1 ority to a person who has a memorandum of
2 understanding regarding the provision of tech-
3 nical assistance in place with the Secretary.

4 “(B) EXPERTISE REQUIRED.—In pre-
5 scribing such regulations, the Secretary shall
6 ensure that persons with expertise in the tech-
7 nical aspects of conservation planning, water-
8 shed planning, environmental engineering, in-
9 cluding commercial entities, qualified nonprofit
10 entities, State or local governments or agencies,
11 and other Federal agencies, are eligible to be-
12 come approved providers of such technical as-
13 sistance.

14 “(C) QUALIFIED NONPROFIT ORGANIZA-
15 TIONS.—Qualified nonprofit organizations shall
16 include organizations whose missions primarily
17 promote the stewardship of working farmland
18 and ranchland.

19 “(4) QUALITY ASSURANCE PROGRAM.—The
20 Secretary shall establish a program to assess the
21 quality of the technical assistance provided by third
22 parties.”.

23 **SEC. 254. CONSERVATION PRACTICE STANDARDS.**

24 The Secretary of Agriculture shall—

1 (1) revise standards and, when necessary, es-
 2 tablish standards for eligible conservation practices
 3 to include measurable goals for enhancing natural
 4 resources, including innovative practices;

5 (2) within 6 months after the date of the enact-
 6 ment of this section, revise the National Handbook
 7 of Conservation Practices and field office technical
 8 guides; and

9 (3) not less frequently than once every 5 years,
 10 update the Handbook and technical guides to reflect
 11 the best available science.

12 **Subtitle G—Miscellaneous** 13 **Conservation Provisions**

14 **SEC. 261. CONSERVATION PROGRAM PERFORMANCE RE-** 15 **VIEW AND EVALUATION.**

16 (a) IN GENERAL.—The Secretary shall establish a
 17 grant program to evaluate the benefits of the conservation
 18 programs under title XII of the Food Security Act of 1985
 19 and under sections 242 and 262 of this Act.

20 (b) GRANTS.—The Secretary shall make grants to
 21 land grant colleges and other research institutions whose
 22 applications are highly ranked under subsection (c) to
 23 evaluate the economic and environmental benefits of con-
 24 servation programs, and shall use such research to identify
 25 and rank measures needs to improve water quality, fish

1 and wildlife habitat, and other environmental goals of con-
2 servation programs.

3 (c) SCIENTIFIC PANELS.—The Secretary shall estab-
4 lish a panel of independent scientific experts to review and
5 rank the grant applications submitted under subsection
6 (a).

7 (d) FUNDING.—The Secretary shall use \$10,000,000
8 from the Commodity Credit Corporation for each of fiscal
9 years 2002 through 2011 to carry out this section.

10 **SEC. 262. GREAT LAKES BASIN PROGRAM FOR SOIL ERO-**
11 **SION AND SEDIMENT CONTROL.**

12 (a) IN GENERAL.—The Secretary of Agriculture, in
13 consultation with the Great Lakes Commission created by
14 Article IV of the Great Lakes Basin Compact (82 Stat.
15 415) and in cooperation other appropriate Federal agen-
16 cies may carry out the Great Lakes Basin Program for
17 Soil Erosion and Sediment Control.

18 (b) ASSISTANCE.—In carrying out the Program, the
19 Secretary shall—

20 (1) provide project demonstration grants, pro-
21 vide technical assistance, and carry out information
22 and education programs to improve water quality in
23 the Great Lakes Basin by reducing soil erosion and
24 improving sediment control; and

1 (2) provide a priority for projects and activities
 2 that directly reduce soil erosion or improve sediment
 3 control.

4 (c) AUTHORIZATION OF APPROPRIATIONS.—

5 (1) IN GENERAL.—There is authorized to be
 6 appropriated to carry out this section \$10,000,000
 7 for each of fiscal years 2003 through 2011.

8 (2) ADMINISTRATIVE COSTS.—

9 (A) COMMISSION.—The Great Lakes Com-
 10 mission may use not more than 10 percent of
 11 the funds made available for a fiscal year under
 12 paragraph (1) to pay administrative costs in-
 13 curred by the Commission in carrying out this
 14 section.

15 (B) SECRETARY.—None of the funds made
 16 available under paragraph (1) may be used by
 17 the Secretary to pay administrative costs in-
 18 curred by the Secretary in carrying out this sec-
 19 tion.

20 **Subtitle H—Conservation Corridor** 21 **Program**

22 **SEC. 271. CONSERVATION CORRIDOR PROGRAM.**

23 (a) PURPOSE.—The purpose of this subtitle is to pro-
 24 vide for the establishment of a program that recognizes
 25 the leveraged benefit of an ecosystem-based application of

1 the Department of Agriculture conservation programs, ad-
2 dresses the increasing and extraordinary threats to agri-
3 culture in many areas of the United States, and recognizes
4 the importance of local and regional involvement in the
5 protection of economically and ecologically important
6 farmlands.

7 (b) ESTABLISHMENT.—The Secretary of Agriculture
8 (in this subtitle referred to as the “Secretary”) shall es-
9 tablish a Conservation Corridor Program through which
10 States, local governments, tribes, and combinations of
11 States may submit, and the Secretary may approve, plans
12 to integrate agriculture and forestry conservation pro-
13 grams of the United States Department of Agriculture
14 with State, local, tribal, and private efforts to address
15 farm preservation, water quality, wildlife, and other con-
16 servation needs in critical areas, watersheds, and corridors
17 in a manner that enhances the conservation benefits of
18 the individual programs, tailors programs to State and
19 local needs, and promotes and supports ecosystem and wa-
20 tershed-based conservation.

21 (c) MEMORANDUM OF AGREEMENT.—On approval of
22 a proposed plan, the Secretary may enter into a memo-
23 randum of agreement with a State, a combination of
24 States, local governments, or tribes, that—

1 (1) guarantees specific program resources for
2 implementation of the plan;

3 (2) establishes different or automatic enroll-
4 ment criteria than otherwise established by regula-
5 tion or policy, for specific levels of enrollments of
6 specific conservation programs within the region, if
7 doing so will achieve greater conservation benefits;

8 (3) establishes different compensation rates to
9 the extent the parties to the agreement consider jus-
10 tified;

11 (4) establishes different conservation practice
12 criteria if doing so will achieve greater conservation
13 benefits;

14 (5) provides more streamlined and integrated
15 paperwork requirements; and

16 (6) otherwise alters any other requirement es-
17 tablished by United States Department of Agri-
18 culture policy and regulation to the extent not incon-
19 sistent with the statutory requirements and purposes
20 of an individual conservation program.

21 **SEC. 272. CONSERVATION ENHANCEMENT PLAN.**

22 (a) PREPARATION.—To be eligible to participate in
23 the program under this subtitle, a State, combination of
24 States, political subdivision or agency of a State, tribe,
25 or local government shall submit to the Secretary a plan

1 that proposes specific criteria and commitment of re-
2 sources in the geographic region designated, and describes
3 how the linkage of Federal, State, and local resources
4 will—

5 (1) improve the economic viability of agriculture
6 by protecting contiguous tracts of land;

7 (2) improve the ecological integrity of the eco-
8 systems or watersheds within the region by linking
9 land with high ecological and natural resource value;
10 and

11 (3) in the case of a multi-State plan, provide a
12 draft memorandum of agreement among entities in
13 each State.

14 (b) SUBMISSION AND REVIEW.—Within 90 days after
15 receipt of the conservation plan, the Secretary shall review
16 the plan and approve it for implementation and funding
17 under this subtitle if the Secretary determines that the
18 plan and memorandum of agreement meet the criteria
19 specified in subsection (c).

20 (c) CRITERIA FOR PARTICIPATION.—The Secretary
21 may approve a plan only if, as determined by the Sec-
22 retary, the plan provides for each of the following:

23 (1) Actions taken under the conservation plan
24 are voluntary and require the consent of willing
25 landowners.

1 (2) Criteria specified in the plan and memo-
2 randum of agreement assure that enrollments in
3 each conservation program incorporated through the
4 plan are of exceptionally high conservation value.

5 (3) The program provides benefits greater than
6 the benefits that would likely be achieved through
7 individual application of the federal conservation
8 programs because of such factors as—

9 (A) ecosystem- or watershed-based enroll-
10 ment criteria;

11 (B) lengthier or permanent conservation
12 commitments;

13 (C) integrated treatment of special natural
14 resource problems, including preservation and
15 enhancement of natural resource corridors; and

16 (D) improved economic viability for agri-
17 culture.

18 (4) Staffing and marketing, considering both
19 Federal and non-Federal resources, are sufficient to
20 assure program success.

21 (d) APPROVAL AND IMPLEMENTATION.—Within 90
22 days after approval of a conservation plan, the Secretary
23 shall begin to provide funds for the implementation of the
24 plan.

1 (e) PRIORITY.—In carrying out this section, the Sec-
2 retary shall give priority to multi-State or multi-tribal
3 plans.

4 **SEC. 273. FUNDING REQUIREMENTS.**

5 (a) COST-SHARING.—As a further condition on the
6 approval of a conservation plan submitted by a non-Fed-
7 eral interest under section 272, the Secretary shall require
8 the non-Federal interest to contribute at least 20 percent
9 of the total cost of the Conservation Corridor Program.

10 (b) EXCEPTION.—The Secretary may reduce the
11 cost-share requirement in the case of a specific activity
12 under the Conservation Corridor Program on good cause
13 and demonstration that the project or activity is likely to
14 achieve extraordinary natural resource benefits.

15 (c) COORDINATION.—The Secretary shall require
16 that non-Federal interests contributing financial resources
17 for the Conservation Corridor Program shall implement
18 streamlined paperwork requirements and other procedures
19 to allow for integration with the Federal programs for par-
20 ticipants in the program.

21 (d) RESERVATION OF FUNDS.—The Secretary shall
22 direct funds on a priority basis to the Conservation Cor-
23 ridor Program and to projects in areas identified by the
24 plan.

1 (e) **ADMINISTRATION.**—A State may submit multiple
 2 plans, but the Secretary shall assure opportunity for sub-
 3 mission by each State. Acreage committed as part of ap-
 4 proved Conservation Reserve Enhancement Programs
 5 shall be considered acreage of the Conservation Reserve
 6 Program committed to a Conservation Enhancement Pro-
 7 gram.

8 **Subtitle I—Funding Source and** 9 **Allocations**

10 **SEC. 281. FUNDING FOR CONSERVATION FUNDING.**

11 (a) **REDUCTION IN FIXED DECOUPLED PAYMENTS**
 12 **AND COUNTER-CYCLICAL PAYMENTS.**—Notwithstanding
 13 sections 104 and 105, the Secretary of Agriculture (in this
 14 subtitle referred to as the “Secretary”) shall reduce by
 15 \$1,900,000,000 the total amount otherwise required to be
 16 paid under such sections in each of fiscal years 2002
 17 through 2011, in accordance with this section.

18 (b) **MAXIMUM TOTAL PAYMENTS BY TYPE AND FIS-**
 19 **CAL YEAR.**—In making the reductions required by sub-
 20 section (a), the Secretary shall ensure that—

21 (1) the total amount paid under section 104
 22 does not exceed—

23 (A) \$3,425,000,000 in fiscal year 2002; or

24 (B) \$4,325,000,000 in any of fiscal years

25 2003 through 2011; and

1 (2) the total amount paid under section 105
2 does not exceed—

3 (A) \$3,332,000,000 in fiscal year 2003;

4 (B) \$4,494,000,000 in fiscal year 2004;

5 (C) \$4,148,000,000 in fiscal year 2005;

6 (D) \$3,974,000,000 in fiscal year 2006;

7 (E) \$3,701,000,000 in fiscal year 2007;

8 (F) \$3,222,000,000 in fiscal year 2008;

9 (G) \$2,596,000,000 in fiscal year 2009;

10 (H) \$2,057,000,000 in fiscal year 2010; or

11 (I) \$1,675,000,000 in fiscal year 2011.

12 (c) LIMITATIONS TO PROTECT SMALLER FARMERS,
13 PRESERVE TRADE AGREEMENTS, AND ENSURE PROGRAM
14 AND REGIONAL BALANCE.—In making the reductions re-
15 quired by subsection (a), the Secretary shall—

16 (1) accomplish all of the reductions required
17 with respect to a fiscal year by making pro rata re-
18 ductions in the amounts otherwise payable under
19 sections 104 and 105 to the 10 percent (or, if nec-
20 essary, such greater percentage as the Secretary
21 may determine) of recipients who would otherwise
22 receive the greatest total payments under such sec-
23 tions in the fiscal year; and

24 (2) to the maximum extent practicable, ensure
25 that—

1 (A) the resulting payments under such sec-
2 tions pose the least amount of risk to the
3 United States of violating trade agreements to
4 reduce subsidies; and

5 (B) the reductions are made in a manner
6 that achieves balance among programs and re-
7 gions.

8 **SEC. 282. ALLOCATION OF CONSERVATION FUNDS BY**
9 **STATE.**

10 (a) STATE ALLOCATION.—To the maximum extent
11 practicable in each of fiscal years 2002 through 2011, the
12 Secretary, subject to the rules of the conservation pro-
13 grams administered by the Secretary, shall ensure that
14 each State receives at a minimum the State's share of the
15 \$1,900,000,000 based on the State's share of the total ag-
16 ricultural market value of production, with each State re-
17 ceiving not less than 0.52 percent and not more than 7
18 percent of such amount annually.

19 (b) TRANSITION AND UNOBLIGATED BALANCES.—If
20 the offices of the United States Department of Agriculture
21 in each respective State cannot expend all funds allocated
22 in this title within 2 consecutive fiscal years for the pro-
23 grams identified in this title, the funds shall be remitted
24 to the Secretary for reallocation as the Secretary deems
25 appropriate among States to address unmet conservation

1 needs through the programs in this title, except that in
 2 no event shall these unobligated balances be used to fund
 3 technical assistance.

4 (c) REGIONAL EQUITY.—Section 1230 of the Food
 5 Security Act of 1985 (16 U.S.C. 3830) is amended by
 6 adding at the end the following:

7 “(d) REGIONAL EQUITY.—In carrying out the
 8 ECARP, the Secretary shall recognize the importance of
 9 regional equity, and the importance of accomplishing
 10 many conservation objectives that can sometimes only be
 11 achieved on land of high value.”.

12 **Subtitle J—Rural Development**

13 **SEC. 291. EXPANSION OF STATE MARKETING PROGRAMS.**

14 (a) FEDERAL-STATE MARKET INCENTIVE PAY-
 15 MENTS.—Section 204(b) of the Agricultural Marketing
 16 Act of 1946 (7 U.S.C. 1623) is amended by striking “such
 17 sums as he may deem appropriate” and inserting
 18 “\$10,000,000 from the Commodity Credit Corporation for
 19 each of the fiscal years 2002 through 2011”.

20 (b) MARKET DEVELOPMENT GRANTS.—Section
 21 203(e)(1) of such Act (7 U.S.C. 1622(e)(1)) is amended
 22 by adding at the end the following: “The Secretary shall
 23 transfer to State departments of agriculture and other
 24 State marketing offices at least 10 percent of the funds
 25 appropriated for a fiscal year for this subsection to facili-

- 1 tate the development of local and regional markets for ag-
- 2 ricultural products, including direct farm-to-consumer
- 3 markets.”.

Amend the table of contents accordingly.

